

**General Assembly**

Distr.: General
23 April 2007

Original: English

Sixty-first session

Agenda items 132 and 139

**Administrative and budgetary aspects of the financing
of the United Nations peacekeeping operations****Financing of the United Nations Mission in Ethiopia
and Eritrea****Financial performance report for the period from
1 July 2005 to 30 June 2006 and proposed budget
for the period from 1 July 2007 to 30 June 2008 of
the United Nations Mission in Ethiopia and Eritrea****Report of the Advisory Committee on Administrative and
Budgetary Questions**

Appropriation for 2005/06	\$176,664,400
Expenditure for 2005/06	\$155,996,100
Unencumbered balance for 2005/06	\$20,668,300
Appropriation for 2006/07	\$137,385,100
Projected expenditure 2006/07 ^a	\$127,788,133
Estimated unencumbered balance for 2006/07 ^a	\$9,596,967
Proposal submitted by the Secretary-General for 2007/08	\$123,686,400
Recommendation of the Advisory Committee for 2007/08	\$113,483,400

^a Estimates as at 28 February 2007 (see annex I).



I. Introduction

1. The recommendations of the Advisory Committee on Administrative and Budgetary Questions in paragraphs 15, 17 and 18 below would entail a reduction of \$10,203,000 in the proposed budget of the United Nations Mission in Ethiopia and Eritrea (UNMEE) for the period from 1 July 2007 to 30 June 2008 (A/61/842). The Committee also makes a number of observations regarding the administration and management of the Mission.
2. The general report of the Advisory Committee on United Nations peacekeeping operations will contain its views and recommendations on a number of cross-cutting issues. In the paragraphs below, the Advisory Committee deals with resources and other items that relate specifically to UNMEE.
3. The documents used by the Advisory Committee in its consideration of the financing of UNMEE are listed at the end of the present report.

II. Financial performance report for the period from 1 July 2005 to 30 June 2006

4. In its resolution 59/303, the General Assembly appropriated an amount of \$176,664,400 gross (\$172,186,900 net) for the maintenance of the Mission for the period from 1 July 2005 to 30 June 2006 (A/61/720, sect. III.A). The total amount has been assessed on Member States.
5. The unencumbered balance of \$20,668,300 gross (\$19,701,900 net) for the period 2005/06 represents, in gross terms, 11.7 per cent of the appropriation. The unutilized balance is attributable mostly to higher than anticipated vacancy factors, owing, in part, to delayed deployment and/or temporary cessation of recruitment activities due to the many short extensions of the Mission's mandates, as frequently as once a month during the first half of 2006; the helicopter ban imposed by Eritrea since 5 October 2005; a new contractor, who provided communications and an information technology specialist at a lower than anticipated monthly cost; and the temporary cessation of procurement activities due to the uncertain future of the Mission.
6. The comments of the Advisory Committee on the information in the performance report on individual objects of expenditure can be found in the discussion of the proposed budget for the period from 1 July 2007 to 30 June 2008 below.
7. The Advisory Committee notes that, in its resolution 61/264, the General Assembly requested the Secretary-General to submit a detailed report on after-service health insurance at its sixty-third session. **Pending a decision by the General Assembly, the Committee recommends that the full amount of other income and adjustments amounting to \$15,189,000, as well as a portion of the unencumbered balance, amounting to \$1,893,700 for UNMEE for the period 2005/06, which had been proposed for meeting after-service health insurance liabilities, be credited to Member States.**

III. Information on performance for the current period

8. The Advisory Committee was informed that, as at 15 January 2007, a total of \$1,214,917,300 had been assessed on Member States in respect of UNMEE since its inception. Payments received amounted to \$1,152,627,200, leaving an outstanding balance of \$62,290,100 as at 15 January 2007. The cash position of the Mission as at 2 April 2007 was \$61,100,000, with a three months' operating reserve of \$21,809,300 (excluding reimbursements for troop-contributing countries). The remaining cash balance of \$39,290,700 was sufficient to allow for the scheduled reimbursement of troop-contributing countries at the next payment date of 30 April 2007.

9. The Advisory Committee was informed that payments made to Member States in respect of troop-cost reimbursement, since the inception of the Mission, as at 31 October 2006 amounted to \$279,921,968 and that \$4,700,100 was owed to Member States for troop costs as at 31 December 2006. With regard to contingent-owned equipment, the Advisory Committee was informed that payments made to Member States since the inception of the Mission amounted to \$174,587,771 and that \$9,837,800 was owed to Member States, as at 31 December 2006. As at 28 February 2007, \$478,500 had been paid for 37 claims for death and disability compensation since the inception of the Mission; unliquidated obligations amounted to \$19,000 and eight claims, including three death claims, remained outstanding. The Committee was informed that the requirements for the three death claims amounted to \$150,000 in addition to the above-noted amount of \$19,000. **The Advisory Committee trusts that all outstanding death and disability claims will be settled expeditiously.**

10. The Advisory Committee was informed that as at 28 February 2007, the incumbency situation was as follows:

	<i>Posts authorized</i>	<i>Posts encumbered</i>	<i>Number of vacant posts</i>	<i>Vacancy/delayed deployment rate (percentage)</i>
Military observers	230	211	19	8.3
Military contingents	2 070	1 796	274	13.2
International staff	210	145	65	31.0
National staff	250	202	48	19.2
United Nations Volunteers	68	55	13	19.1

11. The Advisory Committee was provided with the preliminary status of expenditures for the period from 1 July 2006 to 30 June 2007 (see annex I). For the current period, expenditures amounted to \$101,219,473 gross (\$99,883,973 net) against an apportionment of \$137,385,100 gross (\$134,634,100 net), as at 28 February 2007. Total expenditure for the period is estimated at \$127,788,133 (gross) (\$125,784,883 net). An amount of \$9,596,967 is estimated to be the unencumbered balance at the end of 2006-2007 budget period. This may be reflected in the performance report for 2006/2007.

IV. Proposed budget for the period from 1 July 2007 to 30 June 2008

A. Mandate and planned results

12. The mandate of UNMEE was established by the Security Council in its resolution 1312 (2000) and extended most recently to 31 July 2007 in its resolution 1741 (2007).

13. The budget document notes that the Mission has been in the process of implementing two consecutive downsizing exercises since May 2006 and that it was therefore not possible to attribute obvious savings to efficiency gains. The budget document indicates further that, during the period 2007/08, the core mandate and key activities of UNMEE will remain as set out in the Security Council resolution and taking into account the reconfiguration of the military component from 2,300 to 1,700 (including 230 military observers) mandated in Security Council resolution 1741 (2007). **The Advisory Committee recommends that, in the next performance report, information be provided on savings obtained as a result of efficiency gains.**

B. Resource requirements

1. Military and police personnel

Category	Approved 2006/07	Proposed 2007/08	Variance
Military observers	230	230	—
Military contingents	2 070	1 470	(600)

14. The provision for military personnel for the period from 30 June 2007 to 31 July 2008, estimated at \$45,456,700, reflects a net decrease of \$17,645,600 (28 per cent), compared to the apportionment for 2006/07. The decrease from 2,300 to 1,700 (including 230 military observers) was mandated by the Security Council in its resolution 1741 (2007).

2. Civilian personnel

Category	Approved 2006/07	Proposed 2007/08	Variance
International staff ^a	210	177	(33)
National staff ^b	250	219	(31)
United Nations Volunteers	68	68	—

^a Representing highest level of authorized/proposed strength.

^b Includes national officers and national General Service staff.

15. The proposed budget for the period 2007/08 for civilian personnel amounts to \$24,151,300, reflecting a decrease of \$1,573,700, or 6.1 per cent, when compared to the previous period. Upon enquiry, the Advisory Committee was informed that the cost estimate for civilian personnel needs to be revised since the conditions of

service of United Nations Volunteers will change on 1 July 2007. The non-recurrent cost aspect of the settling-in grant will now be paid only to new arrivals at a monthly rate of \$1,193 for three months and the previous practice of paying the grant even for the extension of contracts was cancelled. In addition, the cost for a programme manager was also excluded. This function is now performed by 1 of the 68 United Nations Volunteers and related programme support costs savings amount to \$92,422, which was not included in the original cost estimate. The net result of these changes is that the total amount required for United Nations Volunteers for the period from 1 June 2007 to 30 July 2008 is \$2,127,100; this represents an increase of \$94,400 over the initial estimate of \$2,032,700 included in the budget proposal for United Nations Volunteers. The total cost under civilian personnel would therefore be \$24,245,700. **The Advisory Committee has no objection to the revised cost estimate for civilian personnel.**

Recommendation on posts

16. **The Advisory Committee recommends acceptance of the proposals by the Secretary-General regarding the establishment, conversion, abolition and redeployment of the international and national posts listed in annex II of the present report.**

3. Operational costs

<i>Apportioned 2006/07</i>	<i>Proposed 2007/08</i>	<i>Variance</i>
\$48 557 800	\$54 078 400	\$5 520 600

Air transportation

17. The estimates in the budget document were based on the assumption that the restrictions imposed by Eritrea, including restrictions on freedom of movement and the ban on helicopter flights in Eritrean airspace, would be lifted soon and that the Mission would operate and maintain seven helicopters. The Committee was informed that the ban is likely to be maintained. Therefore, only the existing three helicopters, which are based in northern Ethiopia would be required. The ban on helicopters does not extend to UNMEE's existing two fixed-wing air aircraft and UNMEE proposes no change with respect to these aircraft.

18. As a result of the reduction of the number of helicopters to be deployed (from seven to three), the cost estimates for this item for the period from 1 July 2007 to 30 June 2008 should be reduced to \$8,233,200, compared to the initial estimate of \$18,530,600. **The Advisory Committee recommends a reduction of \$10,297,400 for air transportation.**

V. Conclusion

19. The action to be taken by the General Assembly in connection with the financing of UNMEE for the period from 1 July 2006 to 30 June 2007 is indicated in paragraph 16 of the performance report on the budget of UNMEE (A/61/720). **The Advisory Committee recommends that the unencumbered balance of \$20,668,300 as well as other income/adjustments in the amount of \$15,189,000 for the period**

ended 30 June 2006 be credited to Member States in a manner to be determined by the General Assembly (see also para. 7 above).

20. The action to be taken by the General Assembly in connection with the financing of UNMEE for the period from 1 July 2007 to 30 June 2008 is indicated in paragraph 48 of the proposed budget for 2006/07 (A/61/842). **In view of its foregoing comments, the Advisory Committee recommends that the estimated budget requirements be reduced from \$123,686,400 to \$113,483,400 for the maintenance of UNMEE for the twelve-month period from 1 July 2007 to 30 June 2008.**

Documentation

- Performance report on the budget of the United Nations Mission in Ethiopia and Eritrea for the period from 1 July 2005 to 30 June 2006: report of the Secretary-General (A/61/720)
- Budget for the United Nations Mission in Ethiopia and Eritrea for the period from 1 July 2007 to 30 June 2008: report of the Secretary-General (A/61/842)
- General Assembly resolutions 61/264, 61/248 and 59/303
- Reports of the Secretary-General on Ethiopia and Eritrea (S/2007/33 and S/2006/992)
- Security Council resolutions 1741 (2007) and 1312 (2000)
- Financial report and audited statements for the 12-month period from 1 July 2005 to 30 June 2006; Report of the Board of Auditors; Volume II, United Nations peacekeeping operations (A/61/5 (Vol. II))

Annex I

United Nations Mission in Ethiopia and Eritrea: current and projected expenditures for the period from 1 July 2006 to 30 June 2007

(United States dollars)

		1 July 2006 to 28 February 2007		Projected: 1 March to 30 June 2007				
	Appropriation	Total expenditure	Unencumbered balance	Expenditure	Total expenditure including projected	Estimated unencumbered balance as at 30 June 2007	Variance (Percentage)	Reasons for variance
	(1)	(2)	(3)=(1)-(2)	(4)	(5)=(2)-(4)	(6)=(1)-(5)	(7)=(6)-(1)	
I. Military and police personnel								
Military observers	7 755 100	5 236 984	2 518 116	2 362 244	7 599 228	155 872	2.0	Projected vacancy of 4 per cent compared to 2 per cent budgeted
Military contingents	55 347 200	50 341 439	5 005 761	5 613 381	55 954 820	(607 620)	(1.1)	Relates to unplanned repatriation of contingent-owned equipment
United Nations police	—	—	—	—	—	—	—	
Formed police units	—	—	—	—	—	—	—	
Total, I	63 102 300	55 578 423	7 523 877	7 975 625	63 554 048	(451 748)	(0.7)	
II. Civilian personnel								
International staff	22 113 600	12 939 082	9 174 518	6 808 960	19 748 042	2 365 558	10.7	Projected vacancy of 24 per cent compared to 20 per cent budgeted, offset by additional requirements for mission subsistence allowance
National staff	1 245 800	702 984	542 816	482 528	1 185 512	60 288	4.8	Projected vacancy of 19 per cent compared to 5 per cent budgeted
United Nations Volunteers	2 365 600	1 429 481	936 119	766 580	2 196 061	169 539	7.2	Projected vacancy of 10 per cent compared to 5 per cent budgeted
Total, II	25 725 000	15 071 547	10 653 453	8 058 068	23 129 615	2 595 385	10.1	

		1 July 2006 to 28 February 2007		Projected: 1 March to 30 June 2007			
		Appropriation	Total expenditure	Unencumbered balance	Expenditure	Total expenditure including projected	Estimated unencumbered balance as at 30 June 2007
		(1)	(2)	(3)=(1)-(2)	(4)	(5)=(2)+(4)	(6)=(1)-(5)
							Variance (Percentage)
							(7)=(6)+(1)
							Reasons for variance
III. Operational costs							
General temporary assistance	622 300	—	—	622 300	—	—	622 300
							100.0
Recruitment of Conduct and Discipline Team personnel not yet achieved							
Government-provided personnel	—	—	—	—	—	—	—
Civilian electoral observers	—	—	—	—	—	—	—
Consultants	—	5 025	(5 025)	—	—	5 025	(5 025)
							—
Relates to hire of consultant for new rations contract							
Official travel	666 800	412 629	254 171	98 076	510 705	156 095	23.4
Savings is due to reduction in the number and duration of trips made outside the Mission							
Facilities and infrastructure	14 044 900	10 216 268	3 828 632	1 455 142	11 671 410	2 373 490	16.9
Projected savings relate to the downsizing of military							
Ground transportation	5 388 200	2 656 582	2 731 618	707 292	3 363 874	2 024 326	37.6
Relates primarily to lower fuel consumption							
Air transportation	8 897 300	6 702 035	2 195 265	1 033 098	7 735 133	1 162 167	13.1
Fewer flying hours owing to ban on helicopter flights							
Naval transportation	—	—	—	—	—	—	—
Communications	4 885 400	3 484 325	1 401 075	682 065	4 166 390	719 010	14.7
Owing to installation of a power back-up system							
Information technology	1 021 600	498 017	523 583	394 595	892 612	128 988	12.6
Reduced requirement for contractual services							
Medical	1 590 300	1 431 363	158 937	102 200	1 533 563	56 737	3.6
Reduced procurement owing to current stock levels							
Special equipment	992 500	940 700	51 800	51 800	992 500	—	—

1 July 2006 to 28 February 2007		Projected: 1 March to 30 June 2007				
Apportionment	Total expenditure	Unencumbered balance	Expenditure	Total expenditure including projected	Estimated unencumbered balance as at 30 June 2007	Variance (Percentage)
(1)	(2)	(3)=(1)-(2)	(4)	(5)=(2)+(4)	(6)=(1)-(5)	(7)=(6)-(1) Reasons for variance
Other supplies, services and equipment	10 448 500	4 222 559	6 010 699	10 233 258	215 242	2.1 Reduced requirement owing to downsizing of Mission
Quick-impact projects	—	—	—	—	—	—
Total, III	48 557 800	30 569 503	17 988 297	10 534 967	7 453 330	15.3
Gross	137 385 100	101 219 473	36 165 627	26 568 660	127 788 133	9 596 967
Staff assessment income	2 751 000	1 335 500	1 415 500	667 750	2 003 250	747 750 27.2
Net	134 634 100	99 883 973	34 750 127	25 900 910	125 784 883	8 849 217
Voluntary contributions in kind (budgeted)	—	—	—	—	—	—
Total	137 385 100	101 219 473	36 165 627	26 568 660	127 788 133	9 596 967
						7.0

Annex II

United Nations Mission in Ethiopia and Eritrea: summary of proposed changes for the period from 1 July 2007 to 30 June 2008

<i>Office/Section/Unit</i>	<i>Number of posts</i>	<i>Level</i>	<i>Description</i>
Executive Direction and Management			
Office of the Special Representative of the Secretary-General, Asmara	-1	General Service	Administrative Assistant
	-1		
Component 1: substantive civilian			
Office of Political Affairs	-1	P-4	Political Affairs Officer
	-2	P-3	Political Affairs Officer
	-1	General Service	Administrative Assistant
Office of Human Rights	-1	General Service	Administrative Assistant
	-1	National General Service	Administrative Assistant
Office of Public Information	-1	P-3	Public Information Officer
	-1	General Service	Photographer
	-2	National General Service	Public Information Assistants
	-10		
Component 2: military			
Office of the Force Commander	-1	P-3	1 Political Affairs Officer
	-1	General Service	Administrative Assistant
	-2		
Component 3: support			
Office of the Chief Administrative Officer	-1	National General Service	Driver
Administrative Liaison Office	-1	National General Service	Mail Room Clerk
Sector Administration	-2	Field Service	Administrative Assistants
	-2	National General Service	Language Assistants
Budget and Cost Control Unit	-1	National General Service	Budget Assistant
Air Safety Unit	-1	P-3	Air Safety Officer
Medical Services Unit	-1	National General Service	Language Assistants
Personnel Section	-1	P-3	Personnel Officer
	-1	P-2	Associate Personnel Officer
	-1	Field Service	Human Resource Assistant
	-1	National General Service	Personnel Clerk
	-1	Field Service	Finance Assistant
Finance Section	-1	National General Service	Finance Clerk
General Services Section	-1	P-4	Chief of General Services Section

<i>Office/Section/Unit</i>	<i>Number of posts</i>	<i>Level</i>	<i>Description</i>
	- 1	P-2	Chief, Receiving and Inspection Unit
	- 1	Field Service	Property Control and Inventory Assistant
	- 3	National General Service	Mail and Pouch Assistant, Receiving and Inspection Assistants
Procurement Section	- 1	Field Service	Procurement Assistant
	- 1	National General Service	Procurement Clerk
Office of Chief of ISS	- 1	P-4	Administrative Officer
	- 1	National General Service	Administrative Assistant
Communications and IT	- 1	P-2	Associate Information Systems Officer
	- 2	General Service	Telecommunications Technician and Administrative Assistant
	- 4	National General Service	Radio Technicians
Joint Logistics Operations	- 1	P-3	Associate Logistics Officer
Buildings Management and Engineering	- 1	P-3	Engineer
	- 1	P-2	Architect
	- 1	National General Service	Hydro-Geologist
	- 1	National General Service	Water Engineer
	- 1	National General Service	Carpenter
	- 2	National General Service	Engineering Assistants
	- 1	National General Service	HVAC Technician
	- 1	National General Service	Groundsman
Air Operations Section	- 1	P-3	Air Operations Officer
	- 1	National General Service	Air Operations Clerk
Security Section	- 1	Field Service	Security Officer
	- 2	National General Service	Administrative Assistants
Conduct and Discipline Team	- 2	P-4	Temporary positions
	- 1	P-2	Temporary position
	- 1	National General Service	Temporary position
	-51		
Total			
International	-33		
National	-31		
United Nations Volunteers	—		